



WAYS AND MEANS

REPUBLICANS | KEVIN BRADY, REPUBLICAN LEADER

President Trump's Executive Orders Prevent Democrats from Exploiting Jobless, Economically Hard-Hit Americans

Here's some insight on President Trump's executive orders on [payroll taxes](#) and [unemployment insurance](#):

[Payroll Taxes](#)

- The President has directed Treasury to defer only the Social Security portion of the payroll tax (6.2%) on wages that are less than \$4,000 for a biweekly pay period (which is about \$100,000 annual wage).
- The deferral period is September 1 through December 31, 2020.
- Directs Treasury to explore avenues, including legislation, to eliminate the obligation to pay deferred taxes.
- The EO does not specify when these deferred taxes would be due or how they would be collected.

Useful Context: President Trump used similar authority to defer tax deadlines from April 15 because of the pandemic.

[Unemployment Insurance](#)

- Provides states access to up to \$44 billion in funding from FEMA's Disaster Relief Fund (DRF) to continue enhanced unemployment benefits at \$400/week.
- States must provide a 25% match to draw down DRF funds and may use their Coronavirus Relief funds (CRF) for this purpose.
- Therefore, federal funds will cover \$300 and state funds will cover \$100 for a total of \$400/week per claimant, in addition to their state weekly benefit amount.
- Supplemental benefits will continue for weeks of unemployment ending no later than December 6, 2020 or until funds from the DRF have been depleted to a level of \$25 billion.
- Remaining DRF funds will be preserved to support costs associated with any potential 2020 disaster and recovery efforts. Currently, the DRF has a balance of approximately \$69 billion.
- In addition, calls on states to use amounts allocated to them out of the CRF to provide temporary enhanced financial support to those whose jobs or wages have been adversely affected by COVID-19.
- Currently, more than \$80 billion of the CARES Act's Coronavirus Relief Funds \$150 billion remain available after being appropriated directly to State, territorial, tribal, and some local governments to cover costs incurred due to the COVID-19 emergency.

In response to President Trump's action, Ways and Means Republican Leader Kevin Brady (R-TX) said:

"American families shouldn't suffer because Nancy Pelosi and Chuck Schumer demand a crazy \$3 trillion special interest wishlist instead of helping workers and Main Street businesses. President Trump has taken action to provide extra federal unemployment help that Democrats continue to block, as well as to allow workers -- including essential workers -- to keep more of their hard-earned paychecks."

"The temporary \$400-a-week supplement on top of the traditional state benefits will help the unemployed, no doubt, but it means that more than half of the jobless will earn more unemployed than at work. This maintains a serious barrier to reconnecting workers to their jobs, which means fewer Main Street businesses will survive, and the Covid recovery will be slower."

"This should be a wake-up call: Democrats need to stop the partisan delay tactics and work with Republicans and President Trump to pass a bill that provides the lasting support our workers and businesses need."